



SUMMARY PLAN DESCRIPTION

**FOR
PART-TIME EMPLOYEE
MEMBERS**

This document has been prepared for part-time employee members of the Public Employees' Retirement System of Nevada to provide general information.

It is based on retirement law effective from the 72nd session of the Nevada Legislature, 2003. This is not a legal document, nor is it intended to serve as a basis for legal interpretation. Official legal reference may be found in the Nevada Revised Statutes.

INTRODUCTION

This document has been prepared for you as a **part-time** employee member of the Public Employees' Retirement System (PERS) to provide general information concerning the system. This brochure will help explain your benefits if you are:

- A **part-time** employee member of PERS, and the position you fill is half-time or more but less than full-time according to your employer's full-time work schedule.

Membership is not cancelled automatically upon termination of employment. Membership can only be cancelled upon refund, retirement or death of the member.

TYPES OF CONTRIBUTION PLANS

Your base pay, longevity pay, shift differential pay, and call-back pay are subject to retirement contribution. Extra-duty assignments are also subject to contribution provided they are included in your employment contract or job description. Overtime, terminal leave, pay from secondary employment, and any other type of payment not specifically listed as subject to retirement contribution within Chapter 286 of the NRS is not subject to contribution.

Employer Pay Contribution Plan (EPC)

If you are a **part-time** school employee or a **part-time** employee of a large, local government employer, it is likely that you are contributing under EPC. You might also be contributing under EPC if you work for the State of Nevada or another employer whereby you chose to participate under EPC. Such contributions are not deposited to your individual member account and are not available for refund upon termination of employment. The EPC contribution rate for regular members is 20.25%

Employee/Employer Contribution Plan

Employees of the State of Nevada and many of the smaller employers have the option to contribute under this plan. You and your employer share equally in the contribution to PERS, currently 10.5% each. Your **after tax** contribution is refundable upon termination of employment, if you do not elect to receive a monthly retirement benefit. If you are unsure of which plan you are contributing under, contact your employer or PERS.

SERVICE

As a **part-time** employee member of PERS (except part-time school employees who work less than a 12 month year) you earn service credit for years, months and days actually worked. For example, if you work half-time for one calendar year, you earn six months of service credit.

If you are a **part-time** school district employee described above, your service is credited on a ratio of one and one third days for each day worked. As an example, if you are employed in a half-time 9-month position you earn six months of service credit even though you worked half-time for only nine months. This is because half-time employment for nine months equates to six months when the actual credit earned (4 1/2 months) is multiplied by one and one third.

Your earned service credit is an important element in determining your retirement benefit (see the Benefits section further in this brochure).

Purchase of Service

If you are a member who has five years of creditable service, you may purchase up to five years of additional service credit. You must pay the full actuarial cost associated with your age and average compensation at the time of purchase. Payment may be made in a lump sum or by installment agreement.

Purchase of service may also be accomplished using certain types of retirement savings accounts such as 401 (a), 401 (k) qualified pension trusts, 403 (b) and 457 retirement savings plans and IRAs.

Refund of Contributions

If you contribute under the employee/employer contribution plan, you may withdraw your employee contributions if you terminate all employment for which contribution is required or if you are employed in a position ineligible for membership for at least 90 days.

A refund cancels all rights to membership including any service credit earned under the EPC plan.

Repayment of Refunded Contributions

If you received a refund of employee contributions and later return to work and reestablish active membership for a period of at least six months, you may repay the refunded contributions and restore service credit. Repayment, including interest at the actuarially determined rate, may be made in a lump sum payment or by monthly installments. Service will not be restored until your agreement is paid in full.

BENEFITS

Service Retirement

Vesting

Special vesting rules apply to you as a **part-time** employee. Vesting refers to the time period necessary for you to earn the right to receive a retirement benefit. **For purposes of vesting only** PERS will assume a full-day of employment for each day worked even though you do not work in a full-time position. For example, if you work as a half-time employee for five years and only have 2 1/2 years of earned service credit, you are vested to receive a benefit. As a **part-time** employee, you are eligible to retire as follows:

Eligibility for Monthly Unreduced Retirement Benefit	
<u>Years Worked*</u>	<u>Age</u>
5	65
10	60
30	Any age
*Not earned service credit	

Benefit Calculation Factors

Special rules also apply to you for the purposes of determining the amount of your retirement benefit. The amount of your benefit will be based on three factors:

- **Service Credit** – The years, months and days of service actually earned by you as a member of PERS (in the example above this is 2.5 years, not the 5 years of service established for purposes of eligibility to receive a benefit).
- **Average Compensation** – The average of the highest 36 consecutive months of your earnings **as if you worked full-time according to your employers' full-time work schedule**. Therefore, if your highest 36 consecutive months of average compensation is \$1,000 as a half-time employee, your benefit will be based on an average compensation of \$2,000 a month.
- **Selection of retirement option, your age and the age of your beneficiary at the time of retirement.**

Benefit Formula

The formula used for calculating your retirement benefit is as follows:

Service Credit x 2.5%* x Average Monthly
Compensation (as if you work full-time) =
Unmodified Allowance

Example: 2.5 years x 2.5%* = 6.25%
6.25% x \$2,000 = \$125.00

*For service credit earned after July 1, 2001, a 2.67%
multiplier will be used

Retirement Options

Prospective retirees may elect one of seven retirement plans.

Option 1 – The Unmodified Allowance Pays you the full monthly allowance you have earned but provides no income protection for your beneficiary after your death.

Option 2 – Provides an actuarially reduced allowance for your lifetime. After your death, the same allowance continues for the lifetime of your beneficiary.

Option 3 – Provides an actuarially reduced allowance for your lifetime. After your death, 50% of the allowance continues for the lifetime of your beneficiary.

Options 4 and 5 are calculated the same as 2 and 3 but are not payable to a beneficiary before age 60. In Options 6 and 7, a retiree may designate the beneficiary amount.

The reduction from the unmodified allowance is determined by an actuarial percentage based on your age and your beneficiary's age at the time of retirement.

After retirement, the named beneficiary cannot be changed; however, you may under certain conditions choose to revert to the Unmodified Option. If your beneficiary predeceases you, the law provides that your benefit will revert to the Unmodified Option.

Early Retirement Reduction

In the event you have worked the years necessary to receive a retirement benefit but have not reached the age for an unreduced benefit, you may retire at any age with your benefit reduced by four percent for each full year that you retire early. An example of how this reduction would work is provided below for a 64-year-old retiree with 2.5 years of service, a \$2,000 per month average compensation, (as if you worked full-time) and a beneficiary who is age 64.

Benefit Calculation Formula Unreduced Service Retirement Benefit

Using the example in the benefit formula mentioned earlier, let us assume that you have worked in a half-time position for 5 years and will retire at age 65 with 2.5 years of actual service credit and an average monthly compensation (as if you worked full-time) of \$2,000. Your beneficiary is age 64.

Average Compensation = \$2,000

Service = 2.5 years x 2.5%* = 6.25%

Benefits:	Monthly Amount Retiree Will Receive	Monthly Amount Beneficiary Will Receive After Retiree's Death
Unmodified (Option 1)	\$125.00	\$ -0-
Option 2	\$102.25	\$102.25**
Option 3	\$112.38	\$ 56.19**

* For service credit earned after July 1, 2001, a 2.67% multiplier will be used.

**The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age at the time of retirement.

Your PERS benefit and Social Security

Benefit Calculation Formula Reduced Service Retirement Benefit

Average Compensation = \$2,000

Service = 2.5 years x 2.5%* = 6.25%

Unmodified Allowance (Option 1) = \$125

Early Retirement Reduction:

4% (12 months) x \$125 = \$5

Reduced Unmodified Allowance = \$120

	Monthly Amount Retiree Will Receive	Monthly Amount Beneficiary Will Receive After Retiree's Death
Unmodified (Option 1)	\$120.00	\$ -0-
Option 2	\$ 99.84	\$99.84**
Option 3	\$108.96	\$54.48**

* For service credit earned after July 1, 2001, a 2.67% multiplier will be used.

**The reduced amounts under Options 2 and 3 are based on your age and your beneficiary's age at the time of retirement.

Your PERS benefit will not be affected by a Social Security Benefit. However, a Social Security benefit may be affected because you receive a PERS pension. The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are the two Federal Gov- 4 ernment regulations that may reduce your Social Security benefit. We suggest you contact the Social Security Administration at 800-772-1213 or visit their web-

site at www.ssa.gov for more information

How to Apply

Between three and six months before your retirement, request an estimate of retirement allowance and an application for retirement. The request should include:

1. *Your anticipated retirement date*
2. *Your name and Social Security number*
3. *Your beneficiary's name, birth date and Social Security number*

It is also wise to consult a PERS counselor prior to your retirement.

Disability Retirement

If you have five or more years of earned service credit and become totally unable to perform your current or any comparable job because of an injury or mental or physical illness of a permanent nature, you are eligible to apply for disability retirement. **Your application must be filed with PERS prior to your termination of employment.**

How to Apply

The disability application has four parts:

1. *Member's statement of disability and retirement plan selection*
2. *Personnel officer's report*
3. *Supervisor's report*
4. *Physician's statement*

The completed application is submitted to the Retirement Board for consideration at its regular monthly meetings. Disability retirement benefits are calculated in the same manner as service retirement benefits described before, but without reduction for age. To apply for disability benefits, you are urged to contact PERS or the retirement liaison officer where you work. For special information regarding disability retirement, ask for a copy of the PERS' Disability Retirement Document.

Survivor Benefits

Eligibility

If you were to die prior to retirement, your eligible survivors would be entitled to a survivor benefit if:

1. *You had two years of service in the two and one half years immediately preceding your death or, as a regular part-time employee, you had 2 or more years of creditable contributing service before and at least 1 day of contributing service within 6 months immediately preceding your death; or*
2. *You had more than 10 years of accredited service; or*
3. *Your death was caused by an occupational disease or an accident arising out of or in the course of your employment, regardless of service credit.*

Effective January 2004, all members of the plan can designate a Survivor Beneficiary and any additional payees to receive survivor benefits in the event of death prior to retirement. **The designation must be on an approved PERS beneficiary form.** Your named beneficiaries would receive a payment based on the percentages you designate for the lifetime of the person named 'Survivor Beneficiary' in the event you are single at the time of your death.

Who is Included

Your eligible survivors include:

1. *Your spouse*
2. *Your survivor beneficiary and additional payees*
3. *Your dependent children under age 18*
4. *Your dependent parents, provided there are no other 5 eligible survivors at the time of your death.*

Amount of Survivor Benefits

The following monthly benefits are payable to a surviving spouse, survivor beneficiaries and/or dependent children if your death occurs prior to retirement:

<u>Service Credit</u>	<u>Spouse/ Survivor</u>	<u>Each Child*</u>
-----------------------	-------------------------	--------------------

2+	\$450	\$400
10+	Option 3	\$400
(If member was under age for full eligibility)		
10+	Option 2	\$400
(If member was fully eligible to retire)		
15+	Option 2	\$400

* Until age 18 or to age 23 if a full time, unmarried student.
Incapacitated adult children may be eligible.

(Other restrictions may apply)

PERS' Counseling Services

In Carson City: Weekdays at the PERS building located at 693 W. Nye Lane, from 8:00 a.m. to 5:00 p.m. If possible, please call ahead for an appointment.

In Las Vegas: Weekdays at our office at 5820 S. Eastern Ave, Suite 220, from 8:00 a.m. to 5:00 p.m. Due to a high demand for counselors in this office, it is advisable to schedule an appointment.

In rural Nevada: Counselors are available during the Spring and Fall. Please watch for our notices and call our Carson City office for an appointment.

For further information, contact your agency's retirement liaison officer or PERS.

Public Employees' Retirement System
693 West Nye Lane
Carson City, NV 89703

For telephone inquiries, call:

- ◆ *from Las Vegas: (702) 486-3900*
- ◆ *from Carson City or Reno: (775) 687-4200*
- ◆ *from anywhere else in the USA: 1-866-473-7768*

Website: www.nvpers.org

PUBLIC EMPLOYEES'
RETIREMENT SYSTEM BOARD

L. Mark Balen, *Chairman* Las Vegas
Sue DeFrancesco, *Vice Chairman* Las Vegas
Charles Silvestri, *Member* Las Vegas
David F. Kallas, *Member* Las Vegas
Purisimo Hernandez, *Member* Carson City
George W. Stevens, *Member* Las Vegas
Warren Wish, *Member* Carson City

EXECUTIVE STAFF

Dana K. Bilyeu, *Executive Officer*
Tina Leiss, *Operations Officer*
Ken Lambert, *CFA, Investment Officer*

Revised 7/06